

READING FILE.

Service Date: December 3, 1980

DEPARTMENT OF PUBLIC SERVICE REGULATION MONTANA PUBLIC SERVICE COMMISSION

In the Matter of the Application by)	UTILITY DIVISION
the CITY OF BILLINGS to Adopt In-)	DOCKET NO. 6773
creased Rates for Water Service.)	ORDER NO. 4657b

In response to Final Order No. 4657a, the Applicant City of Billings requested reconsideration of several matters. With regard to all matters excepting No. 8 concerning permit fee charges, the Commission has acted on the Motion for Reconsideration.

The matter of permit fees requires some discussion. There are myriad fees related to sewer and water service in the case of most cities, and they vary in description and amount from city to city. In the case of the City of Billings, its Ordinance No. 80.25.010 lists thirteen separate fees for applications for the various types of extensions of water or sewer service.

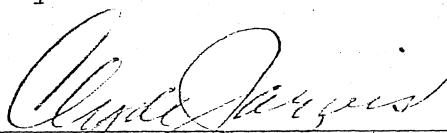
One alternative the City urges is that the Commission disclaim jurisdiction over these fees. While this would doubtless be the most convenient thing to do, the Commission would be shirking its duties to take such categorical action.

The Commission is legitimately concerned that the permit and fee schedules may amount to a double recovery of administration and inspection expense. The total administrative and operating expense of the City water and sewer departments is included in the respective rates allowed by the Commission. Consequently, to charge a fee for the "direct" expense of processing applications

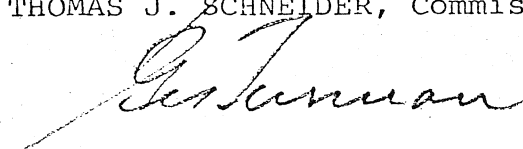
or inspecting facilities is questionable. Based upon the limited evidence of record in this case, the Commission will not overturn the existing permit and fee schedules adopted by the City. However, this matter will be examined in future cases involving municipal utilities in montana.

THEREFORE for the purposes of Docket No. 6773 the Commission accepts the fees set out in the Billings Municipal Code Sections 18.25.010 and 18.25.020.

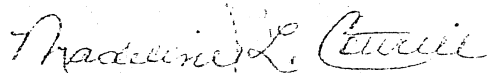
BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION; DATED THIS 25th day of November; passed by vote of 3-0.


CLYDE JARVIS, Commissioner


THOMAS J. SCHNEIDER, Commissioner


GEORGE TURMAN, Commissioner

ATTEST:


Madeline L. Cottrill
Commission Secretary

(SEAL)